

AMENDED IN SENATE APRIL 13, 1998

SENATE BILL

No. 2132

Introduced by Senator Monteith
(Coauthor: Assembly Member House)

February 20, 1998

An act to amend Section 35735.1 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 2132, as amended, Monteith. School finance: newly organized school districts: base revenue limits per unit of average of daily attendance.

Existing law provides for the calculation of the base revenue limit for newly organized school districts in accordance with a prescribed procedure. Under this procedure, the base revenue limit per unit of average daily attendance of an affected school district is equal to the total of the amount of blended revenue limit per unit of average daily attendance of the affected school districts, an amount based on salaries and benefits of classified employees of school districts for which the employment of 25% or more of those employees is attributable to average daily attendance that will be included in the newly organized school districts, an amount based on salaries and benefits of certificated employees of school districts for which the employment of 25% or more of those employees is attributable to average daily attendance that will be included in the newly organized school districts, and the amount of the inflation adjustment calculated in accordance with a prescribed formula.

This bill would provide that an affected school district that was reorganized in the 1998–99 fiscal year, ~~has~~ *had* an enrollment of fewer than 2,000 pupils *in the 2nd fiscal year prior to the fiscal year of reorganization*, is wholly located within a county of the 20th class, *as defined*, and for which the employment of 15% or more of the classified full-time equivalent employees and the certificated full-time equivalent employees of ~~the~~ *each component* district *or portion thereof* is attributable to average daily attendance that the county superintendent of schools determines will be included in the newly organized school districts, may, ~~for one time only~~, include the calculations based on the salaries and benefits of its classified and certificated employees in the calculation of its base revenue limit per unit of average daily attendance.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 35735.1 of the Education Code is
2 amended to read:
3 35735.1. (a) The base revenue limit per unit of
4 average daily attendance for newly organized school
5 districts shall be equal to the total of the amount of
6 blended revenue limit per unit of average daily
7 attendance of the affected school districts computed
8 pursuant to paragraph (1), the amount based on salaries
9 and benefits of classified employees computed pursuant
10 to paragraph (2), the amount based on salaries and
11 benefits of certificated employees calculated pursuant to
12 paragraph (3), and the amount of the inflation
13 adjustment calculated pursuant to paragraph (4). The
14 following computations shall be made to determine the
15 base revenue limit per unit of average daily attendance
16 for the newly organized school districts:
17 (1) Divide the average daily attendance computed
18 pursuant to Section 42238.5 into the base revenue limit
19 computed pursuant to Section 42238 for each affected

1 district, and then perform the following computation to
2 arrive at the blended revenue limit:

3 (A) For each school district affected by the
4 reorganization, multiply the amount determined
5 pursuant to paragraph (1) by the number of units of
6 average daily attendance for that school district that the
7 county superintendent of schools determines will be
8 included in the proposed school district.

9 (B) Add the amounts calculated pursuant to
10 subparagraph (A).

11 (2) For each affected school district for which the
12 employment of 25 percent or more of the classified
13 full-time equivalent employees of the district is
14 attributable to average daily attendance that the county
15 superintendent of schools determines will be included in
16 the newly organized school districts, the following
17 computation shall be made to determine the amount to
18 be included in the base revenue limit per unit of average
19 daily attendance for the newly organized school districts
20 that is based on the salaries and benefits of classified
21 employees:

22 (A) For each of those school districts, make the
23 following computation to arrive at the highest average
24 amount expended for salaries and benefits for classified
25 full-time employees by the districts:

26 (i) Add the amount of all salaries and benefits for
27 classified employees of the district, including both
28 part-time and full-time employees.

29 (ii) Divide the amount computed in clause (i) by the
30 total number of full-time equivalent classified employees
31 in the district.

32 (B) Compare the amounts determined for each of
33 those school districts pursuant to subparagraph (A) and
34 identify the highest average amount expended for
35 salaries and benefits for classified employees.

36 (C) For each of those school districts, subtract the
37 amount determined for the district pursuant to
38 subparagraph (A) from the amount identified pursuant
39 to subparagraph (B).

1 (D) For each of those school districts, multiply the
2 amount determined for the district pursuant to
3 subparagraph (C) by the number of full-time equivalent
4 classified employees employed by the district, and then
5 multiply by the percentage of the district's average daily
6 attendance to be included in the new district.

7 (E) Add the amounts computed for each school
8 district pursuant to subparagraph (D).

9 (3) For each affected school district for which the
10 employment of 25 percent or more of the certificated
11 full-time equivalent employees of the district is
12 attributable to average daily attendance that the county
13 superintendent of schools determines will be included in
14 the newly organized school districts, the following
15 computation shall be made to determine the amount to
16 be included in the base revenue limit per unit of average
17 daily attendance for the newly organized school districts
18 that is based on the salaries and benefits of certificated
19 employees:

20 (A) For each of those school districts, make the
21 following computation to determine the highest average
22 amount expended for salaries and benefits for certificated
23 full-time employees:

24 (i) Add the amount of all salaries and benefits for
25 certificated employees, including both part-time and
26 full-time employees.

27 (ii) Divide the amount determined in clause (i) by the
28 total number of full-time equivalent certificated
29 employees in the district.

30 (B) Compare the amounts determined for each school
31 district pursuant to subparagraph (A) and identify the
32 highest average amount expended for salaries and
33 benefits for certificated employees.

34 (C) For each of those school districts, subtract the
35 amount determined for the district pursuant to
36 subparagraph (A) from the amount identified pursuant
37 to subparagraph (B).

38 (D) For each of those school districts, multiply the
39 amount determined for the district pursuant to
40 subparagraph (C) by the number of full-time equivalent

1 certificated employees of the school district, and then
2 multiply by the percentage of the district's average daily
3 attendance to be included in the new district.

4 (E) Add the amount calculated for each school district
5 identified pursuant to subparagraph (D).

6 (4) The base revenue limit per unit of average daily
7 attendance shall be adjusted for inflation as follows:

8 (A) Add the amounts determined pursuant to
9 subparagraph (B) of paragraph (1), subparagraph (E) of
10 paragraph (2), and subparagraph (E) of paragraph (3),
11 and divide that sum by the number of units of average
12 daily attendance in the newly organized school districts.
13 The amount determined pursuant to this subparagraph
14 shall not exceed 110 percent of the blended revenue limit
15 per unit of average daily attendance calculated pursuant
16 to paragraph (1).

17 (B) (i) Increase the amount determined pursuant to
18 subparagraph (A) by the amount of the inflation
19 adjustment calculated and used for apportionment
20 purposes pursuant to Section 42238.1 for the fiscal year
21 immediately preceding the year in which the
22 reorganization becomes effective.

23 (ii) With respect to a school district that unifies
24 effective July 1, 1997, and that has an average daily
25 attendance in the 1996–97 fiscal year of more than 1,500
26 units, increase the amount determined pursuant to
27 subparagraph (A) by an amount calculated as follows:

28 (I) For each component district of the newly unified
29 district, multiply the amount of revenue limit
30 equalization aid per unit of average daily attendance
31 determined pursuant to Sections 42238.41, 42238.42, and
32 42238.43, or any other sections of law, for the 1996–97 fiscal
33 year by the 1996–97 second principal apportionment units
34 of average daily attendance determined pursuant to
35 Section 42238.5 for that component district.

36 (II) Add the results for all component districts, and
37 divide this amount by the sum of the 1996–97 second
38 principal apportionment units of average daily
39 attendance determined pursuant to Section 42238.5 for all
40 component districts.

1 (C) Increase the amount determined pursuant to
2 subparagraph (B) by the amount of the inflation
3 adjustment calculated and used for apportionment
4 purposes pursuant to Section 42238.1 for the fiscal year in
5 which the reorganization becomes effective for all
6 purposes.

7 (D) Increase the amount determined pursuant to
8 subparagraph (C) by any other adjustments to the base
9 revenue limit per unit of average daily attendance that
10 the newly organized school districts would have been
11 eligible to receive had they been reorganized in the fiscal
12 year two years prior to the year in which the
13 reorganization becomes effective for all purposes.

14 (5) Notwithstanding paragraphs (2) and (3), an
15 affected school district that was reorganized in the
16 1998–99 fiscal year, ~~has had~~ an enrollment of fewer than
17 2,000 pupils *in the second fiscal year prior to the fiscal year*
18 *of reorganization*, is wholly located within a county of the
19 20th class, *as defined pursuant to Section 28041 of the*
20 *Government Code*, and for which the employment of 15
21 percent or more of the classified full-time equivalent
22 employees and the certificated full-time equivalent
23 employees of ~~the district~~ *each component district or*
24 *portion thereof* is attributable to average daily
25 attendance that the county superintendent of schools
26 determines will be included in the newly organized
27 school districts, ~~may, for one time only,~~ include the
28 calculations set forth in paragraphs (2) and (3) in the
29 calculation of its base revenue limit per unit of average
30 daily attendance.

31 (b) The amount determined pursuant to
32 subparagraph (D) of paragraph (4) of subdivision (a)
33 shall be the base revenue limit per unit of average daily
34 attendance for the newly organized school districts.

35 (c) The base revenue limit per unit of average daily
36 attendance for the newly organized school district shall
37 not be greater than the amount set forth in the proposal
38 for reorganization that is approved by the State Board of
39 Education. The Superintendent of Public Instruction
40 may make adjustments to base revenue limit

1 apportionments to a newly organized school district, if
2 necessary to cause those apportionments to be consistent
3 with this section.

4 (d) If the territorial jurisdiction of any school district
5 was revised pursuant to a unification, consolidation, or
6 other reorganization, occurring on or before July 1, 1989,
7 that resulted in a school district having a larger territorial
8 jurisdiction than the original school district prior to the
9 reorganization, and a reorganization of school districts
10 occurs on or after the effective date of the act that added
11 this subdivision that results in a school district having a
12 territorial jurisdiction that is substantially the same, as
13 determined by the State Board of Education, as the
14 territorial jurisdiction of that original school district prior
15 to the most recent reorganization occurring on or before
16 July 1, 1989, the revenue limit of the school district
17 resulting from the subsequent reorganization shall be the
18 same, notwithstanding subdivision (b), as the revenue
19 limit that was determined for the original school district
20 prior to the most recent reorganization occurring on or
21 before July 1, 1989.

22 (e) The average daily attendance of a newly organized
23 school district, for purposes of subdivision (d) of Section
24 42238, shall be the average daily attendance that is
25 attributable to the area reorganized for the fiscal year two
26 years prior to the fiscal year in which the new district
27 becomes effective for all purposes.

28 (f) For purposes of computing average daily
29 attendance pursuant to subdivision (d) of Section 42238
30 for each school district that exists prior to the
31 reorganization and whose average daily attendance is
32 directly affected by the reorganization, the following
33 calculation shall apply for the fiscal year two years prior
34 to the fiscal year in which the newly reorganized school
35 district becomes effective:

36 (1) Divide the 1982–83 fiscal year average daily
37 attendance, computed pursuant to subdivision (d) of
38 Section 42238, by the total average daily attendance of the
39 district pursuant to Section 42238.5.

1 (2) Multiply the percentage computed pursuant to
2 paragraph (1) by the total average daily attendance of
3 the district calculated pursuant to Section 42238.5,
4 excluding the average daily attendance of pupils
5 attributable to the area reorganized.

6 (g) This section shall not apply to any reorganization
7 proposal approved by the State Board of Education prior
8 to January 1, 1995.

9 (h) Notwithstanding any other provision of law, this
10 section shall not be subject to waiver by the State Board
11 of Education pursuant to Section 33050 or by the
12 Superintendent of Public Instruction.

